

We can talk endlessly about who or what is to blame for the exorbitant cost of law school, but it's far more productive to focus on changing what needs to change. The **Blue Sky Initiative** does just that by confronting the structural barriers that hold schools back. We envision lower tuition, less financially-stressed graduates, and a profession that looks more like our diverse society. Today, you will hear a bit about how we hope to get there.

Much of our focus is on a de facto regulator of law schools, *U.S. News & World Report*—a ranking that does not consider how it impacts the modern and future law school. The incentives it creates and hierarchy it reinforces complicate even the most basic reform conversations within law schools. Decision-makers need new systems of measurement that produce better incentives, yet still offer consumers valuable information as they decide where to attend law school. We also plan to also continue to work with the actual regulator, the ABA Section of Legal Education & Admissions to the Bar, on how it can better nurture innovation and help schools responsibly discharge their duties to our profession and those we serve. Regulatory change can affect the cost of joining the legal profession in big and small ways.

We don't quite know what the future holds for law schools. Who will they educate? How? When? What we do know is that our current path leads to trouble. We can diverge, however, if people throughout our profession work together. We need structural change to achieve more accessible, affordable, and innovative law schools.

The materials within this packet are only references for the presentations today. However, each provides an overview of how we plan to address a variety of challenges in the coming months and years. We hope you'll join us in transforming legal education for the better.

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**A systematic approach to:**

- Combat decades of tuition increases above inflation
- Protect against changes to the federal student lending program that will devastate the current law school business model
- Enable graduates to fill access to justice gaps and keep the economy strong and growing
- Ensure the legal profession reflects society’s diverse population

But schools face unrelenting incentives that make lowering prices, equitable access, and curricular innovation difficult.

## The Goal: fewer financial barriers to entering the legal profession

Tuition has outpaced inflation since 1985

**+582%**

Public Schools

**+273%**

Private Schools

But salaries have only kept up with inflation

The average graduate has **\$133k** in law school debt

**35%**

of the average discretionary income is needed to service that debt

Black and Latino students **pay and borrow more** for law school than their white and Asian counterparts, in part due to inequitable distribution of scholarships

## The Plan: identify and create novel policies and tools to lower costs

<p><b>Improve Regulation</b></p> <p><u>More Transparency.</u> Reveal and resolve inequitable pricing within law schools.</p> <p><u>More Freedom to Innovate.</u> Reduce burdensome and unnecessary restrictions on law school operations.</p> <p><u>More Consumer Protection.</u> Help law schools responsibly discharge their duties to our profession and those we serve.</p>	<p><b>Slow the <i>U.S. News</i> Rat Race</b></p> <p><u>Update the Methodology.</u> Convince <i>U.S. News &amp; World Report</i> to value efficiency over wasteful spending.</p> <p><u>Change the Narrative.</u> Reduce groupthink about the law school rankings in and around the profession.</p> <p><u>Promote Competition.</u> Enhance and elevate competition to reduce the influence of <i>U.S. News</i> and help students make better choices.</p>	<p><b>Change the Incentives Game</b></p> <p>Law schools crave a deliberate, thoughtful, and transparent mechanism to validate their societal contributions. We will help schools align their values and decisions through an indexing and badging system, which is based on an already-proven model in legal education. The LST Index will generate a better market for access, affordability, and curricular innovation.</p>
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## Impact Through Partnerships

More accessible, affordable, and innovative legal education will lessen access to justice gaps, improve diversity and inclusion, and create a foundation for success for new lawyers. Our partners include state and national bar associations, nonprofits, corporations, legal academics, former regulators, and individual lawyers.

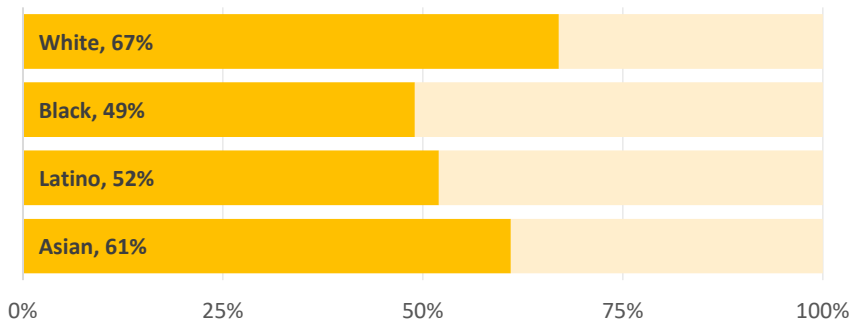
There is compelling evidence that people of color pay more for law school than their white counterparts. Women may also pay more than men. Since pricing is done on a school-by-school basis, we need school-level transparency on tuition costs to learn which schools charge different groups different amounts on average, and to bring about changes to these practices when price disparities are inequitable. Without data, it's easy to say, "that doesn't happen here." In other words, schools face no accountability for pricing practices and lack the incentive to truly embrace change we need for our justice system.

## What do people pay for law school?

Private Schools							
Averages	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Δ
Tuition	\$40,634	\$41,095	\$42,754	\$43,820	\$45,099	\$46,329	14%
Net Tuition	\$31,150	\$31,229	\$32,050	\$29,292	\$28,873	\$29,323	-6%
Scholarship	\$9,484	\$9,866	\$10,704	\$14,528	\$16,226	\$17,006	79%

Net tuition for private schools is estimated from public scholarship data. Net tuition for public schools reveals similar trends, but the amounts are less reliable due to non-resident and resident pricing differentials.

## Who receives merit scholarships?



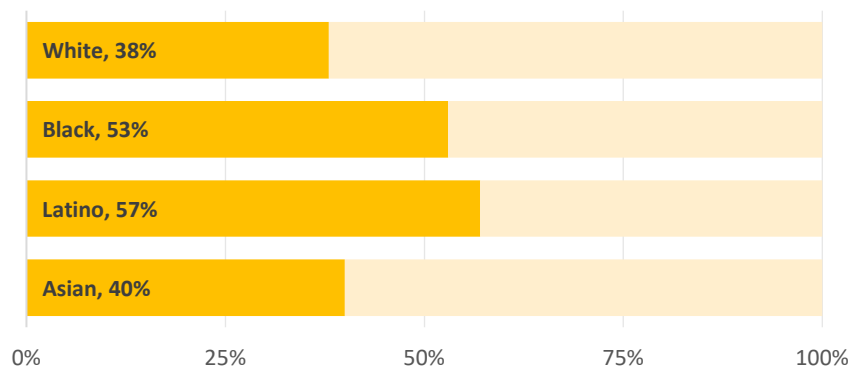
**What does this mean?** Prices have fallen for some and increased for others. For those paying full price, tuition increased 14% at private schools between 2012-13 and 2017-18. This group was more likely to be diverse. For those who receive a scholarship, the average discount they received increased 79%. This group was more likely to be white.

Source: 2016 Law School Survey of Student Engagement, LSSSE.indiana.edu

## What's the impact on student debt?

When students pay full price, or don't have familial wealth to depend on, they finance their educations through student loans. Given the above data and structural barriers for Black and Latino people in our country, it's no surprise that they are more likely to borrow significantly for law school. Unfortunately, they are also more likely to attend law schools with poor job prospects and salaries that make servicing monthly loan obligations difficult and hinder their ability to address justice gaps.

### % Expecting >\$100k in law school debt



Source: 2016 Law School Survey of Student Engagement, LSSSE.indiana.edu

When the *U.S. News* rankings come out each year, law school administrators react predictably with obsession and derision. They articulate methodological flaws and lament negative externalities, but nevertheless commit to a rat race through their statements, actions, and inaction. As a result, these rankings play a direct role in increasing legal education costs and decreasing the commitment schools can have to access, affordability, and innovation. They affect tuition and scholarship strategies, faculty and staff hiring, curriculum development, and racial, gender, and socioeconomic diversity.

Such a pervasive influence requires a multi-pronged approach that accounts for competing interests in legal education. One prong seeks to change the rankings themselves; another seeks to change how people think about the rankings; the last seeks to provide applicants better tools so they make more informed decisions and schools focus less on *U.S. News*.

## Update the Methodology

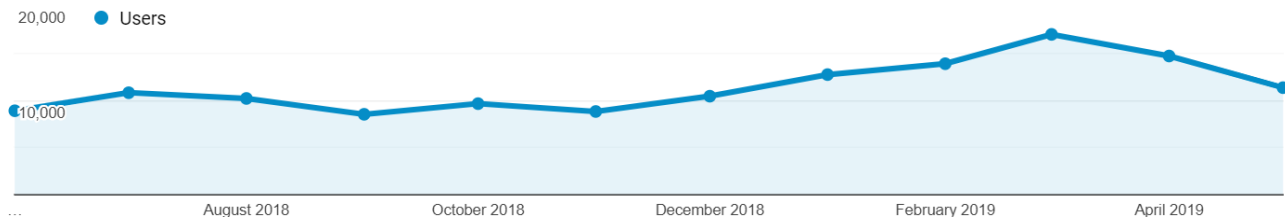
Schools direct resources according to various components of the *U.S. News* ranking methodology. The logic behind some components makes sense—job and bar exam outcomes would matter in any reasoned assessment of value or quality. But *U.S. News* proxies educational quality with an expenditures per student metric. Schools that spend more do not necessarily deliver a better education. We will convince *U.S. News* to replace this metric with one that values efficiency over wasteful spending. Law schools that do more for less deserve to be rewarded, not penalized.

## Change the Narrative

If people cared a little less about annual rankings changes, law school deans would be able to think more clearly about how they allocate resources and deliver value to students. We will provide toolkits for stakeholders to use in their decision-making to free schools from a toxic narrative so that they can achieve their missions better and more affordably.

## Promote Competition to the *U.S. News* rankings

The transparency era ushered in real competition. The most visible competitors are Above the Law (ATL) and LST. ATL publishes a traditional ranking focused on outcomes and ranks only 50 schools. The LST Reports take a more nuanced approach than traditional rankings and profiles all ABA-approved law schools with extensive, well-organized admissions, jobs, and financial data.



The LST approach has a proven track record with pre-law students—at least those who we reach. The next page surveys feedback from students, graduates, and advisors. The chart above, however, indicates further opportunity to mitigate the impact of *U.S. News*. While our site received an impressive 116,000 unique user visits during the 2018-19 cycle, we can help many more prelaw students. The top 50 schools (by job outcomes) receive considerably more traffic than the other 150 schools. Further, more people use the site later in the cycle after submitting applications, which constrains their ability to make informed choices about whether and where to attend law school. Reaching everyone earlier—and reaching more people who attend local and regional schools—requires boots on the ground at colleges across the country, better site design, and more visibility on the social media today’s applicants use daily.

## What People Say About the LST Reports

“sort the relevant from the irrelevant”

“balance cost with potential job outcomes”

“not only useful, but necessary”

“I would not have ended up where I am without it”

“destroying preconceived notions about one school or another”

“LST put me in a good position to start to ask some questions based on a thousand-mile view of what I didn't realize was a personalizable experience.”

“It **makes data infinitely easier to obtain and compare**. Perhaps more than anything else LST makes it clear that law is a relatively local profession (i.e. it makes much more sense to go to school where you want to practice, which is not as significant for undergrad, even at the expense of rankings).”

“It's easy to think from school promotional materials that all law schools are all things to all people. Most law schools appear as if they have the same cost and allow you to practice anywhere in any sort of legal job. LST clarifies the data and shows that, yes, there are differences between different law schools, and some schools are a better fit for my goals than others.”

“LST is **absolutely critical to my job as a pre-law advisor**. It is my most-used and most-important tool making my students literate about the legal job market. I only wish it had been around when I was going to law school.”

“Allowed me to directly **compare schools beyond the one-dimensional U.S. News rankings**.”

“Without LST, I likely would have been tempted to attend a school with less favorable outcomes, meaning the slight savings in cost would end up costing more in the end with lack of gainful employment actually utilizing the degree I'm earning.”



“I used LST extensively to research and understand employment prospects across various schools and regions. I also used it to **help predict and negotiate scholarship offers**. There is no other centralized tool available for applicants to get well sorted and vital information.”































“It has **changed my complete outlook and expectation** of what I am going to need from a law school. I viewed the admissions process as if only I as the applicant had something to prove. Because of LST, law schools have now something greater than a U.S. News ranking to prove to their applicants.”

## Changes to the LST Reports

User feedback is consistent: they love how we organize and highlight the data that matter. But we also know where we fall short: who we reach, when we reach them, and how we help applicants through the process. User behavior and observation reveal more than surveys ever will. To that end, we will apply a design-thinking philosophy to the re-design of the LST Reports to ensure that we communicate with our intended audience properly. We will make our proprietary algorithm for selecting and sorting law schools free. We will add new features based on user feedback. And we will build tools for prelaw advisors and consultants to use alongside their students. The result will be more informed decision-making by students and even less reliance on *U.S. News*.

Law schools face an unrelenting system of incentives that make lowering prices, equitable access, and curricular innovation extremely difficult. Based on extensive conversations with law school deans throughout the country, schools crave a deliberate, thoughtful, and transparent mechanism to validate their societal contributions. The LST Index will help schools align their values and decisions through an indexing and badging system, which is based on an already-proven incentives model in legal education. The result will be a better market for access, affordability, and curricular innovation.

We will judge schools according to pre-determined criteria in five categories, two of which are pictured below. A school that meets a criterion receives a  and a school that does not receives an . The letters on the table are placeholders, but may measure gender and racial representation, tuition transparency, financial counseling, and much more.



	Diversity & Inclusion					Affordability				
	A	B	C	D	E	A	B	C	D	E
<b>B. Obama Law School</b>										
<b>RBG School of Law</b>										
<b>J. Roberts Law School</b>										

- Schools can earn badges by category, which it can use to signal to the market its values and achievements
- Schools earn badges through one or more pathways based on the category's criteria
  - E.g. the **Diversity & Inclusion Badge** may require criteria A and E, as well as two of B, C, and D

## Process

1. Announce the structure and mechanics of the *LST Index on Access, Affordability, and Innovation* on August 8, 2019 at our student debt summit in San Francisco at the ABA annual conference
2. Convene working groups on Index categories and criteria, Q4 2019
3. Announce draft Index categories and criteria for public comment, Q1 2020
4. Convene more working groups on Index categories and criteria, Q1 2020
5. Finalize and announce official Index categories and criteria, Q2 2020
6. Release interactive website for the Index and badging system, date TBD based on selected criteria

## Extend & Amplify Past Success

In 2013, LST assessed school websites for the accurate publication of information important to consumers and required by the ABA. This process uncovered problems and motivated schools to improve the quality of information they provide. For the assessment, schools received a green  or red  for each of 19 criteria. We then sent the results to 199 ABA-approved schools, along with explanations of the requirements and common problems. Schools had three weeks to address shortcomings. In that time, we worked with 84 schools, each motivated by the ability to earn green checks. We disclosed initial performance but emphasized where schools landed, encouraging them to improve performance over time. The media took keen interest—dozens of articles were published around the country—which caused even more schools to improve and ABA enforcement. The process and results earned us a mention in Transparency International's Global Corruption Report as one of the U.S. case studies on integrity in higher education. In 2020, we'll extend this concept to access, affordability, and curricular innovation.

No single organization or person makes change alone, but we have made significant contributions to the following:

## LST Leads the Public Debate on Challenges Facing Legal Education

We elevate issues through the mainstream and legal press through research, writing, and advocacy. We led the charge against deceptive employment data and for increased transparency, currying involvement from the U.S. Senate, U.S. Department of Education, ABA, and state legislatures. We have since played a key role in developing the narrative around predatory admissions and retention practices at law schools, using similar strategies to achieve law school accountability. Today, the law school transparency movement frames much of the debate in legal education. Our work and quotes have appeared in more than 1300 articles since 2010, with over 50 appearances in the NYT, WSJ, and NPR alone.

## LST Improves Data Quality and Availability

Prelaw students make more informed choices about whether and where to attend law school due to a more complete and accurate dataset. Journalists and policymakers have a fuller understanding of many quantifiable aspects of legal education.

- Law schools are subject to an ABA audit protocol after widespread coverage of deceptive marketing by law schools
- ~60% of law schools voluntarily publish comprehensive NALP employment reports, up from 0% in 2009
- LSAC verifies LSAT score medians, which restored public confidence in admissions data after several scandals
- Above the Law adopted the LST Employment Score as a part of its outcome-based school rankings
- *U.S. News* altered its rankings methodology and improved the scope and quality of its consumer information
- NALP improved its national reports on employment and salary data, as well as its school-specific reports

## LST Impacts Law School Accreditation

1. In 2012, the ABA changed Standard 509 to prohibit schools from publishing deceptive information and to require schools to publish specific, useful consumer information, including employment and conditional scholarship data.
2. In 2015, following a memo from LST, the ABA refined its application of Standard 501, which prohibits law schools from engaging in predatory admissions and retention practices. This ultimately contributed to law school closures.
3. In 2017, the ABA added an objective test to Standard 501 to make application of Standard 501 fairer and easier through a rebuttable presumption that a school with non-transfer attrition over 20% is out of compliance with the mandate that a school only admit people who appear capable of completing school and passing the bar exam.
4. In 2019, the ABA improved the bar pass standard, Standard 316, to hold schools accountable for failure to prepare students to enter the profession.

## LST Advances the Conversation on Diversity in the Profession

Our research shows three previously unreported leaks in the pipeline for women in the legal profession. Based on this and other research, we currently have several proposals before the ABA that will bring the profession closer to equity.

Our podcast mini-series, *Women In The Law*, covered 6 themes over 11 episodes and highlighted persistent challenges for women in the legal profession. Each theme featured companion guest columns on *Above the Law*, *Bloomberg Big Law Business*, *Massachusetts Lawyers Weekly*, *Girls Guide to Law School*, *Diversity Lab*, *Hire An Esquire*, and *Lawyerist*.

Our podcast, *I Am The Law*, has profiled >50 attorneys from diverse backgrounds and garnered over 250,000 downloads. Through real accounts of law practice, the show inspires people to see themselves in a variety of practice settings and practice areas. The show bridges a critical gap for those who don't know many or any lawyers.

See more impact at [www.LawSchoolTransparency.com/impact/](http://www.LawSchoolTransparency.com/impact/).